

ASSEMBLY BILL

No. 1098

Introduced by Assembly Member Hagman

February 18, 2011

An act to amend Section 758 of the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1098, as introduced, Hagman. Insurance: unlawful practices.

Existing law makes it unlawful for an insurer to require an auto body repair shop, as a condition of participation in the insurer's direct repair program, to pay for the cost of an insured's rental vehicle that is replacing an insured vehicle damaged in an accident, or to pay for the towing charges of the insured with respect to that accident.

This bill would make a technical, nonsubstantive change to that provision.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 758 of the Insurance Code is amended
- 2 to read:
- 3 758. (a) It is unlawful for an insurer to require an auto body
- 4 repair shop registered pursuant to Sections 9884 and 9889.52 of
- 5 the Business and Professions Code, as a condition of participation
- 6 in the insurer's direct repair program, to pay for the cost of an
- 7 insured's rental vehicle that is replacing an insured vehicle
- 8 damaged in an accident, or to pay for the towing charges of the

1 insured with respect to that accident. However, the insurer and the
2 auto body repair shop may agree in writing to terms and conditions
3 under which the rental vehicle charges become the responsibility
4 of the auto body repair shop when the shop fails to complete work
5 within the ~~agreed-upon~~ time *agreed upon* for repair of the damaged
6 vehicle.

7 (b) A registered auto body repair shop that is denied participation
8 in an insurer's direct repair program may report a denial to the
9 department, which shall maintain a record of all those denials for
10 the purposes of gathering market conduct information. An insurer,
11 upon the request of the department, shall disclose the fact that a
12 denial was made.

13 (c) Any insurer that conducts an auto body repair labor rate
14 survey to determine and set a specified prevailing auto body rate
15 in a specific geographic area shall report the results of that survey
16 to the department, which shall make the information available
17 upon request. The survey information shall include the names and
18 addresses of the auto body repair shops and the total number of
19 shops surveyed.